



OXPAY FINANCIAL LIMITED
(Company Registration Number: 200407031R)

For Immediate Release

**OxPay Reports Adjusted Net Profit for FY2021 vs Year-Ago
Loss as Revenue Surges 53%**

- Unveils FY2021 adjusted net profit of S\$3.2 million vs FY2020 net loss of S\$1.9 million; revenue jumps 53% to S\$17.0 million on increased consumer spending and larger client base
- Adjusted net profit excludes one-off deemed RTO listing expenses of S\$26.4 million, non-recurring expenses relating to RTO transaction of S\$3.6 million
- The Group’s outlook remains cautiously bright, driven by increased e-commerce penetration, shift towards cashless and digital payments, and higher BNPL adoption rates

SINGAPORE, February 28, 2022 – OxPay Financial Limited (SGX: TVV) (“OxPay” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce its financial results for the full year ended 31 December 2021 (“**FY2021**”). Excluding the one-time reverse takeover (“**RTO**”) expenses and related expenses, the Group recorded an adjusted net profit of S\$3.2 million in FY2021.

Financial Highlights

S\$ (million)	2H2021	2H2020	YoY Change	FY2021	FY2020	YoY Change
Revenue	11.1	5.1	119%	17.0	11.1	53%
Gross Profit	7.8	1.0	645%	10.6	3.6	196%
Gross Profit Margin	70%	21%		62%	32%	
Net Profit	2.7	-2.5	N.M.	-26.8	-1.9	N.M.
Adjusted Net Profit	2.7	-2.5	N.M.	3.2*	-1.9	N.M.
Adjusted Net Profit Margin	24%	-50%		20%	-17%	
Net Profit Attributable to Owners	2.8	-2.4	N.M.	-26.6	-1.8	N.M.

**Excludes one-off deemed RTO listing expenses of S\$26.4 million, non-recurring expenses relating to RTO transaction of S\$3.6 million*

Figures may differ as it is rounded up to 1dp



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OxPay reported a 53% rise in revenue to S\$17.0 million for FY2021 from the previous year, driven mainly by increased sales from both its merchant payment services (“MPS”) and digital commerce enabling solutions (“DCES”) business segments. In the half year ended 31 December 2021 (“2H2021”), revenue more than doubled to S\$11.1 million from S\$5.1 million in the half year ended 31 December 2020 (“2H2020”).

Gross profit margin increased to 70% in 2H2021 from 21% in 2H2020, and to 62% in FY2021 from 32% in FY2020. Overall gross profit had increased by 196% to S\$10.6 million in FY2021, and by 645% to S\$7.8 million in 2H2021, as revenue and economies of scale increased but cost of sales remained stable.

As a result, the Group achieved an adjusted net profit of S\$3.2 million for FY2021, from a net loss of S\$1.9 million in FY2020. In 2H2021, net profit was S\$2.7 million, compared with a net loss of \$2.5 million in 2H2020.

The Group generated strong positive operating cashflow of S\$20.2 million for FY2021, which helped to boost its cash and cash equivalents to S\$26.4 million as at 31 December 2021 from S\$3.5 million as at 31 December 2020.

S\$ (million)	31 Dec 2021	31 Dec 2020
Cash and cash equivalents	26.4	3.5
Loans and borrowings	(0.8)	(1.4)
Net Cash Position	25.6	2.1
Net cash generated from / (used in) operating activities	20.2	(7.6)
Net cash generated from investing activities	1.2	0.1
Net cash generated from / (used in) financing activities	1.4	(0.4)
Net increase / (decrease) in cash and cash equivalents during the year	22.8	(8.0)

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Segmental Performance

2H2021 revenue more than doubled on the back of higher revenue from both the MPS and DCES segments. The MPS segment saw an increase in revenue driven by acquisition of new customers and increase in spending by end consumers, whilst the DCES segment saw improved sales performance in Singapore and Malaysia.

S\$ (million)	2H2021	2H2020	YoY Change	FY2021	FY2020	YoY Change
Merchant Payment Services (MPS)	7.9	2.4	229%	11.0	7.5	47%
Digital Commerce Enabling Solutions (DCES)	3.2	2.7	19%	6.0	3.6	67%
Total Revenue	11.1	5.1	119%	17.0	11.1	53%

Business Outlook

With the ongoing COVID-19 pandemic impacting businesses and consumers, the Group remains cautiously optimistic on the recovery of the Singapore retail sector, given the high COVID-19 vaccination and booster rates in Singapore.¹

Additionally, the COVID-19 pandemic has accelerated the digitalisation of payments, with consumers shifting from physical cash to digital and contactless payment options at an unprecedented rate², creating long term opportunities for the Group.

The Group believes that the following key trends will boost its future growth opportunities:

- i) The Payment-as-a-Service market is expected to register a CAGR of 31.2% between 2021 and 2026³, driven by increasing smartphone penetration rates, a structural shift towards digital and cashless payments and the rise in e-commerce businesses. Markets in the Asia-Pacific region are expected to show the fastest growth rates;
- ii) Continued expansion of digital payments and its broader ecosystem, where ASEAN digital payments transaction volume is projected at US\$164.3 billion in

¹ <https://www.straitstimes.com/singapore/health/singapore-in-strong-position-to-ease-restrictions-further-experts>

² https://www.bis.org/statistics/payment_stats/commentary2112.pdf

³ <https://www.modorintelligence.com/industry-reports/payment-as-a-service-market>



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2022, and forecast to expand to US\$231.6 billion by 2025, registering a three-year CAGR of 12.1%⁴.

- iii) The rapidly increasing user adoption of Buy Now, Pay Later ("**BNPL**") schemes over traditional payment methods within Southeast Asia. The industry is expected to grow more than four-fold from US\$7.3 billion in 2019 to US\$33.6 billion in 2027⁵. The BNPL scheme leverages on the large under-banked population and attractive demographics across Southeast Asia.

Commenting on the Group's results, Mr. Henry Tan, Managing Director of OxPay said, ***"We are well-positioned to leverage and benefit from the expansion of digitalisation in Southeast Asia, given our geographical exposure, and we believe that the steady increase in digital consumption shall contribute positively to our long-term growth outlook. In the meantime, we will continue to focus on enhancing our service offerings and increasing our customers base through partnerships or acquisitions."***

OxPay is focused on servicing merchants in the retail, transportation, and food and beverage industries. Its wholly owned subsidiary, OxPay SG Pte. Ltd. (formerly known as MC Pay Pte. Ltd.), which was established in 2005, holds a major payment institution licence in Singapore and is regulated by the Monetary Authority of Singapore under the Payment Services Act 2019. Currently, OxPay has a presence in Singapore, Malaysia, Indonesia and Thailand.

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About OxPay

OxPay (formerly known as MC Payment Limited) is principally engaged in the provision of merchant payment services and digital commerce enabling services, offering online-to-offline (O2O) solutions through a fully integrated platform with a focus on servicing merchants in the retail, transportation and food and beverage industries. Its end-to-end payment platform offers comprehensive solutions for merchants, ranging from hardware and software to data analytics and other technology-driven value-added services tailored to specific industries. Its solutions cater to merchants with both on-line and off-line presences, provided through a unified

⁴ <https://www.statista.com/outlook/dmo/fintech/digital-payments/southeast-asia>

⁵ <https://vulcanpost.com/769427/wild-digital-sea-2021-buy-now-pay-later-growth/>



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platform digitalising engagements across all channels. OxBay currently has a presence in four geographical markets - Singapore, Malaysia, Indonesia and Thailand - with ambitions to become a regional player.

For more information, please visit us at <https://oxpayfinancial.com/>

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This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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